

Industry Reacts as OCC Reveals Concerns About Impact of FinTech-Bank Partnerships

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Member **Aaron Kouhoup** (Cleveland) was interviewed in “Industry Reacts as OCC Reveals Concerns About Impact of FinTech-Bank Partnerships” by *The FinTech Times* on March 6, 2024. Aaron discusses risk responsibility in bank partnerships.

Aaron Kouhoup, member chief privacy officer for McGlinchey Stafford, a US-based business law firm, adds: “Neither the bank nor the non-bank should harbor all risk responsibility and that is not the way partnerships are currently structured or ever have been.

“Each entity has its own role, and risk, to play in the space and those are regulated activities. The bank has risk obligations that are established by prudential federal regulatory agencies while non-banks are often subject to state obligations and restrictions. Understanding each party’s obligation respective to their regulated activities is the key to a successful partnership.

“Fintech companies should understand their obligations both to their bank partner and to any federal or state regulatory obligations that may be imposed based on their particular activities. Restricting your activities, based on your level of authority, is critical for each party.

“Tighter scrutiny and increased examination are likely and the fintech should focus on strong compliance management practices.”

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Aaron P. Kouhoup